

Subject: Economics

Marks: 80

Date: 29/01/2022

Time: 4hrs

Q.1.A. Choose the correct option: (5)

1. Concepts studied under macroeconomics..

a) National income b) General price level c) Factor pricing d) Product pricing

Options: (1) a, b and c (2) a and b (3) only a (4) d

2. The relationship that prevails between demand for a good and price of its substitute.

a) direct b) inverse c) direct and inverse d) constant

Options: (1) a (2) c and d (3) d (4) b

3. Under perfect competition sellers are.

a) Price takers b) Price makers c) Price givers d) None of these

Options: (1) a (2) b (3) c (4) d

4. Optional functions of government.

a) protection from external attack b) provision of education and health services c) provision of social security measures d) collection of tax

Options: (1) b and c (2) a, b and c (3) b, c and d (4) All of these

5. Role of foreign trade.

a) To earn foreign exchange b) To encourage investment c) Lead to division of labour d) Bring change in composition of exports

Options: (1) a and b (2) a, b and c (3) b and d (4) None of these

Q.1.B. Complete the following correlations: (5)

1. Micro economics : Slicing method :: Macro economics : _____.

2. Consumer goods : Direct demand :: Capital goods : _____.

3. $TC/TQ = AC$:: $TR/TQ =$ _____.

4. _____ : Base Year Prices :: P_1 : Current Year Prices

5. Money market : Short Term Funds :: _____ : Long Term Funds

Q.1.C. Give economic term for the following descriptions. (5)

1. Utility created due to transfer of ownership of goods from one person to another.

2. Desire which is backed by willingness to purchase and ability to pay.

3. The point where demand curve and supply curve intersect each other.
4. The market where there is a single seller.
5. Deposits repayable after a certain period of time.

Q.1.D. Complete and rewrite the following statements.

(5)

1. Point of satiety means _____.
- a) TU is rising and MU is falling b) TU is falling and MU is negative
c) TU is maximum and MU is zero d) MU is falling and TU is rising
2. Symbolically, the functional relationship between demand and price can be expressed as _____.
- a) $D_x = f(P_x)$ b) $D_x = f(P_z)$ c) $D_x = f(P_y)$ d) $D_x = f(T)$
3. An upward movement along the same supply curve shows _____.
- a) Contraction of supply b) Decrease in supply c) Expansion of supply d) Increase in supply
4. Unorganised sector of money market in India includes _____.
- a) RBI b) Co-operative banks c) Money lenders d) Commercial banks
5. Sale of goods by one country to another country is _____.
- a) Import trade b) Export trade c) Entrepot trade d) Domestic trade

Q.2.A. Identify and explain the concepts (Any 3)

(6)

1. Gauri collected information about the inflation in India.
2. Suresh sold rice stored in the warehouse at the end of the season.
3. There are few firms providing airline services in India.
4. Raj prepared an index number to study change in agricultural production in Maharashtra.
5. Fall in price of wheat by 20% increases its demand by 10%.

Q.2.B. Distinguish between (Any 3)

(6)

1. Total utility and Marginal utility
2. Monopoly and Perfect competition
3. Price theory and Income theory
4. Internal debt and External debt
5. Relatively elastic demand and Relatively inelastic demand

Q.3. Answer the following questions. (Any 3)

(12)

1. Explain any four features of monopoly.
2. Calculate Price Index Number from the following data.

Commodity	A	B	C	D
Price in 2018 (₹)	6	16	24	4
Price in 2020 (₹)	8	18	28	6

3. Explain any four reasons for growth in public expenditure in India.
4. Explain any four points of role of capital market in India.
5. Explain any four features of national income.

Q.4. state with reasons whether you agree or disagree with the following statements. (Any 3)

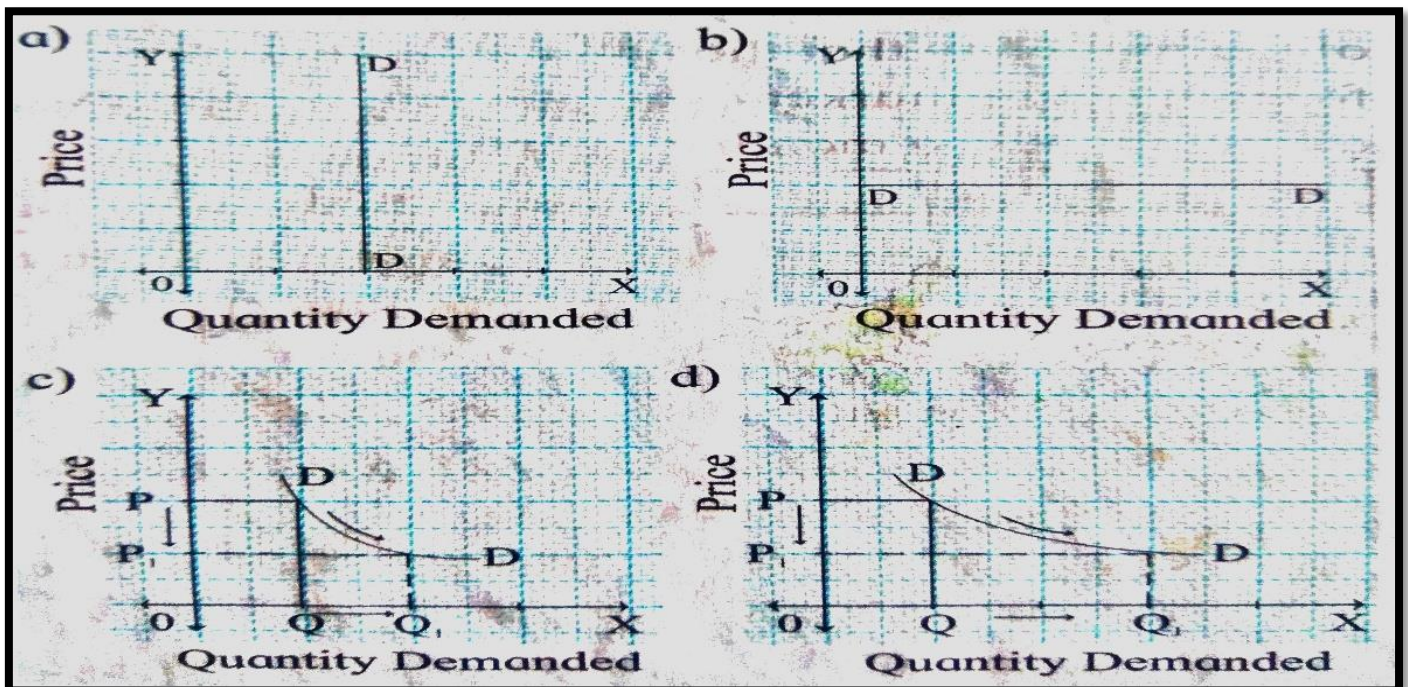
(12)

1. The law of supply is based on assumptions.
2. Price theory is the only feature of microeconomics.
3. Product differentiation is the only feature of monopolistic competition.
4. Reserve Bank of India does not perform any functions.
5. Fines and penalties are the only source of non-tax revenue for the government.

Q.5. Study the following table, figure, passage and answer the questions given below to it.

(Any 2) (8)

1. Identify and explain the types of elasticity of demand from the following demand curves.(4)



2.

(4)

Price (₹. Per kg.)	Demand for commodity (kg. Per day) by consumer			Market demand (Kg. Per day) ()
	A	B	C	
1	10	15	25	<input type="text"/>
2	08	12	20	<input type="text"/>
3	06	09	15	<input type="text"/>
4	04	06	10	<input type="text"/>
5	02	03	05	<input type="text"/>

a. Complete the market demand schedule. (2)

b. Draw market demand curve based on the above market demand schedule. (2)

3. Read the following passage and answer the questions given below it. (4)

Since India opened its markets starting 1990-91, there has been an exponential rise in the country's foreign trade exposure – exports have increased more than 16 times and imports more than 19 times. In FY 2020-21, India's imports and exports stood at US\$394.43 billion and US\$291.80 billion, respectively. While the global trade slump sprung by the COVID-19 pandemic is expected to outlast the global crisis following 2008-09, India's foreign trade statistics offers scope for optimism. Foreign trade saw a dip of 6.8 percent for India – a better performance than the forecasted 9.2 percent decline in global trade by the World Trade Organisation (WTO) in October 2020.

Despite the subsequent economic downturn during the pandemic, foreign trade for FY 2020-21 saw expansionary trends developing in certain sectors and destinations owing to unique market demand and supply chain disruptions. The uncertain global trade situation caused by the pandemic severely hit global merchandise trade in 2020, and India was not immune to the impact. Exports in FY 2020-21 amounted to a total of US\$291.8 billion, declining 6.8 percent. Among the top exported items – mineral fuels (oil) and gems and precious metals were the two most exported items, for a combined share of 18 percent. 2021 also predictably witnessed a surge in the performance of the pharmaceutical industry, whose production accounted for the third most exported category of items for the financial year.

Since last year, India's pharmaceutical industry has benefited from new investment flows, partnerships in vaccine production and biotechnology, and manufacturing incentive (Production-Linked Incentives or PLI) schemes besides growth in organic demand. Imports during FY 2020-21, on the other hand, saw a decline of more than 16 percent, amounting to US\$394 billion.

(1) What forecast was made by WTO in October 2020 about global trade? (1)

(2) How India's pharmaceutical industry is benefited during COVID-19 pandemic? (1)

(3) Express your opinion on the paragraph. (2)

Q. 6. Answer in detail. (Any 2).

(16)

1. Explain the law of diminishing marginal utility. What are its assumptions?
2. Explain the law of supply. What are its exceptions?
3. Explain theoretical and practical difficulties in the measurement of national income.